

**STRONG, UNITED PULL
BY WHOLELY URGED
TO GIVE JOBS TO ALL**

Unemployment Conference
Advises Manufacturers and
Wholesalers to Read-
just Prices.

CUTS IN PAY IGNORED

Revival of Construction and
Federal, State and Munic-
ipal Improvements.
Favored.

VIEWS OF LEADERS GIVEN

Secretary Davis, Asserting
Army of Idle Totals 5,535,-
000, Assails Figures of
4,000,000.

Special Despatch to THE NEW YORK HERALD.
New York, Oct. 1, 1921.
Washington, D. C., Sept. 30.

The unemployment conference to-day adopted a sweeping programme of emergency measures intended to restore American industry to normal.

All local communities throughout the nation are called upon to put it into force in the hope that a business revival will result and that jobless men and women everywhere will be put back to work. The programme represents the composite view of leaders in every walk as to the steps that should be taken at once to relieve commercial stagnation. Here are the essential recommendations:

That manufacturers and wholesalers readjust the prices of their commodities to replacement values in terms of efficient production and distributing cost plus reasonable profit, and that retailers follow this lead in price reduction so that the confidence of the buying public may be restored.

That the construction industry be revived to reduce the shortage of homes and to cut down unemployment in the building trades by concerted action in the States against those factors, such as "undue costs" and "malignant combinations," which have been making proper expansion impossible.

That the Federal, State and municipal governments proceed at once with the expansion of their school, sewerage and rapid work and with public buildings and road construction.

Wage Reductions Avoided.

Throughout the report, which covered thirteen typewritten pages, there was not a word about reduction of wages, which many economists insist is essential before conditions can return to normal. The conference avoided this question as far too controversial to be considered with the emergency measures, but it is to be taken up later as one of the fundamental issues that must be settled before there can be any real assurance of permanent prosperity.

To take up this and other matters of a permanent character the conference took a recess until Monday, October 10. The personnel of the committees will remain the same, but a new committee of two will be created along a plan to be worked out by the steering committee, which will remain in session during the recess.

The emergency measures recommended by the conference took the form of a report by the steering committee, to which the reports of the various emergency measures had been submitted. The report, read by Chairman Henry M. Robinson of the steering committee, was adopted section by section.

The only flash of fireworks came in the consideration of one of the least important sections of the report, but it brought to light a complete disagreement between the committee on unemployment statistics of the conference and Secretary of Labor Davis over the extent of unemployment in the United States.

Clash Over Size of Idle Army.

The report submitted by Mr. Robinson stated that the conference on unemployment statistics had found that there were approximately 4,000,000 men and women out of jobs in the country. This Mr. Davis challenged, insisting that the figures submitted to the Senate six weeks ago by the Department of Labor, stating that 5,535,000 persons were out of jobs, should be accepted as more accurate.

Mr. Davis said the Department of Labor figures showed that since the Senate received the report the extent of unemployment had been cut down by about 200,000, and that therefore it should be held that 5,335,000 were out of work.

"I have brought the Department of Labor statisticians to this meeting to explain these figures," Mr. Davis said with some vigor when Mr. Robinson declared that the evidence obtained by the committee showed 4,000,000 unemployed to be more accurate.

Secretary Hoover, serving as chairman of the conference, stepped into the controversy with a suggestion that the report be adopted without a statement as to the number of unemployed.

"Let us say that several millions are unemployed," Mr. Hoover suggested.

"No," flashed Secretary Davis. "That means 4,000,000."

"Then," returned Secretary Hoover, "let's make it 'many' millions."

Hoover Disentangles Snarl.

There followed a general debate in which half a dozen members of the conference, including Samuel Gompers, participated. It wound up finally in a particularity.

Continued on Fifth Page.

**EVERY DEFENCE STEP
U. S. TAKES IN PACIFIC
IS MATCHED BY JAPAN**

**Military Possibilities of Parvy Group
and Ladrones Developed, Showing
Counter Strategy to American
Fortifications in Hawaii.**

**TOKIO'S TRAINED OBSERVERS
PERMIT NO DETAILS TO ESCAPE**

The New York Herald's Investigator Finds
Imperial Government Impressed Deeply
by Washington's Action in Having
Strong Asiatic Fleet.

THE NEW YORK HERALD publishes herewith the sixth of a series of important articles by a staff correspondent who has just completed an investigation in the Far East of Japan's military preparations and her seizure of the territory of neighboring nations. The subjects are of vital concern in view of the conference called by President Harding for November 11, at which transpacific affairs and the limitation of armament will be discussed.

By LOUIS SEIBOLD,
Staff Correspondent of THE NEW YORK HERALD.
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TOKIO, Sept. 13.—No details of the plans of the United States for protecting its interests in the Pacific are permitted to escape the vigilantly intelligent eye of the Mikado's Government. The best trained students of military affairs and observers thoroughly coached in the subtle and elusive methods of the most efficient secret police in the world, have noted with meticulous exactness every step taken by the United States to prepare for any eventuality that may develop from the sensitive conditions that prevail on the Asiatic mainland, in Japan or in the waters surrounding the islands fringing the equator and dominated by the national influences of Great Britain, the United States, Japan, France, the Netherlands, Australia and New Zealand.

There is a very well defined conviction here at the Japanese capital that the archives of the Foreign Office and the Navy and War departments—particularly the former—contain complete and accurate information regarding the actual and potential military plans of the United States. There is the further impression that every move, publicly announced or carefully guarded, made by the United States, Great Britain and France has been minutely analyzed and compared to relative Japanese features in order to disclose to the Mikado's advisers the strong and weak spots in his imperial military machine.

In this respect Japan enjoys, to some extent, the same advantage that favors the United States in the Atlantic. This is due to the similarity of ocean topography in that, with the exception of Hawaii and the Panama Canal most of the islands in the Pacific fringe the territory directly controlled or administered by Japan, just as the Atlantic islands are distributed almost within the shadow of the North American continent.

**Responsive Strategy Shown
in Japanese Fortifications**

Military experts of other nations stationed at Tokio express the opinion that the Japanese Government has not been slow in appreciating whatever advantage may accrue from this similarity of territory. These observers, whose information is much more conclusive than is possible for the casual observer, assert that the Japanese Government has proceeded to equip the island of Nippon and its island establishments in pretty much the same manner as the United States fortified the Panama Canal, Porto Rico, the newly acquired Virgin Islands and Culebra in the Atlantic. The greatest importance is apparently attached by the Japanese naval authorities to the plans of the United States for adding to the fortification of the Panama Canal and of Hawaii and the Philippines, to say nothing of provision which Japan believes has been made for increasing the defensive power of the islands of Guam, Yap and the Baker group.

Coincident with the announcement by the American naval establishment that it proposed to transfer its major sea forces from the Atlantic to the Pacific, the Tokio experts were informed that the American Government had definitely adopted plans for expanding the fortifications on the island of Oahu, the principal unit of the Hawaiian group, upon which Honolulu is situated.

The Japanese naval authorities have accepted as wholly accurate the reports that Oahu is to become the chief base of operations for the American navy in the Pacific. They not only believe it, but are credited with having developed their own plans to increase to the maximum extent the military possibilities of the Parvy group and the Ladrones, which occupy relatively the same position to the Asiatic mainland as the Hawaiian Islands do to the western coast of the United States.

U. S. Policy in Pacific.

If anything were needed to justify the suspicion of the Japanese people that the United States proposed to exercise a larger influence in the problems of the Pacific growing out of the illegal confiscation of Asiatic territory by Japan, the complications resulting from the dispute over race equality and the limitation of armaments in Far Eastern regions would be provided by the determination of the American Government to concentrate a real fleet of capital fighting ships, with all necessary auxiliaries, in Asiatic waters.

The statement made by President Harding and Secretary of the Navy Denby that the United States proposed to increase its naval representation in the Pacific caused most of the Japanese politicians to "sit up." They construed the statements of the American officials and the plan to assemble its most formidable fighting sea craft as wholly inimical to the imperialistic expansion of Japanese plans in Asia and the Pacific. According to information the newspapers are absolutely reliable the Japanese Government immediately moved to prepare itself for

**DE VALERA ACCEPTS
CONFERENCE OFFER;
SENDS MILD REPLY**

Tells Lloyd George Ireland
Will Have Delegates in
London, Oct. 11.

BRITAIN FEELS RELIEF

Hope Is Seen in the Conciliatory Attitude of the
Irish Leader.

TRUCE PACT INSECURE

Agreement and Parley Comes
at Right Time—Griffith
One of Sinn Fein Envoys.

Special Cable to THE NEW YORK HERALD.
Copyright, 1921, by THE NEW YORK HERALD.
New York, Sept. 30.

Eamon de Valera, Irish Republican leader, to-day accepted the invitation of the British Prime Minister, Mr. Lloyd George, to send representatives to a conference in London on October 11. In a letter which carefully echoes Mr. Lloyd George's conciliatory tone of yesterday, Mr. de Valera says he will go to London and "explore every possibility of a settlement by a personal discussion."

There is one sentence in Mr. de Valera's letter which savors of danger. He says: "Our respective positions have been stated and are understood." That is a long way from compliance with Mr. Lloyd George's demand that Sinn Fein must withdraw the offensive second paragraph in Mr. de Valera's letter of September 12, which asserted that the Irish delegates represented an independent and sovereign Power. Also at first glance it seems to differ widely from Mr. Lloyd George's statement yesterday, that the conference could not be held on the basis of the correspondence between the two leaders up to that time.

Start With Clean Slate.

Persons closest to the negotiations say, however, that the varying declarations made by both sides at various times neutralize each other and that actually the conference will begin with a clean slate. Neither Mr. Lloyd George's flag of the Association nor Mr. de Valera's signature of "Eamon de Valera" has been taken down, but neither is flying defiantly in the face of the other, and talk is possible.

There is some disposition in certain quarters here to believe that Sinn Fein will raise the issue of independence the first opportunity after the conference meets, but persons closest to the negotiations again insist that such a course would be at absolute variance with the view of the proceedings. There was a general feeling of relief to-night in Government circles that the obstacles which seemingly had threatened to prevent another conference apparently had been removed by De Valera's message, which raised no question as to the validity of Sinn Fein delegates, and in further correspondence between the Premier and the Irish leader is expected.

Text of De Valera's Reply.

Mr. de Valera's reply reads: "We received your letter of invitation to a conference in London, October 11, with a view to ascertaining how the association of Ireland with the community of nations can be as the British Empire may best be reconciled with Irish national aspirations."

"Our respective positions have been stated and understood, and we agree that conference, not correspondence, is the most practical and hopeful way to an understanding."

"We accept the invitation. Our delegates will meet you in London on the date mentioned and explore every possibility of a settlement by personal discussion."

It is recalled that when Mr. Lloyd George's first offer to the first assembly of the Dail Eireann was made public the thing that made Dublin more angry with it than anything else was its publicity at the same time with Gen. Jan Smuts's letter contending that the offer constituted dominion home rule. Since then every authoritative Irish utterance has stressed everything but independence until Mr. de Valera's reference to it in his letter of September 12.

That is regarded now as almost a fortunate blunder. It has cleared the issue of independence from the way. Sinn Fein have made their stand, and now they can explore what substitute Great Britain can offer that will enable Irish leaders to ask the Irish people to modify their mandate. Thus they would "come into" the Empire according to their own concepts, instead of "stay within" according to those of Mr. Lloyd George.

Conference Comes in Time.

According to reports received here from both Dublin and Belfast, the conference is assured just in time. The truce arrangements lasted better than the most sanguine persons hoped they would, but now both sides are beginning to pine up alleged violations of the truce. There are several areas wherein feeling is again becoming tense. Dublin is renewing its interest in the situation in Belfast and is describing the disturbances which occurred there recently as pogroms against Catholic workmen.

The Freeman's Journal today leads in the Irish demand for the release of Irishmen who are interned or held as prisoners, asserting that the holding of thousands of men and women without any charges having been made against them, or on purely political charges, is creating bad blood throughout the country.

By the Associated Press.
LONDON, Sept. 30.—The formula of the association of Ireland with other

Continued on Sixth Page.

**Unknown Dead Too Much
for D'Annunzio's Pen**

ROME, Sept. 30.—Gabriele d'Annunzio has declined to write a hymn for the ceremonies which are to be carried out in connection with the honors paid to Italy's unknown soldier. To Salvatore Barzilai, former Minister without portfolio, who is heading the arrangements for the ceremony, the soldier-poet has sent the following note of declination: "Again I thank you. My thoughts of the unknown soldier silence me. Therefore I would like all tongues silent, except that which said, 'Lazarus, come forth.'"

**WIRELESS CONCERNS
JOIN IN WORLD POOL**

Britons, French, Germans and
Americans Confer to Or-
ganize Radio Service.

ELIMINATING ALL WASTE

Would Make System Available
for Daily Transmission
of News.

By the Associated Press.
PARIS, Sept. 30.—An international wireless company for the control and development of the greater part of the world's radio facilities is in process of organization here by representatives of the wireless interests of Great Britain, France, Germany and the United States. Daily conferences are being held by the delegates, who expect to complete arrangements in two weeks.

The American delegation is headed by Owen D. Young, vice-president of the General Electric Company, and includes Edward U. Nally and J. W. Elwood, president and secretary of the Radio Corporation of America, and a large staff of experts. The Westinghouse interests also are represented.

British interests are represented by Godfrey Isaacs of the British Marconi Company, those of France by E. T. Radeau of the French Wireless Company and those of Germany by C. Schapiro of the Telefunken Company.

The proposed agreement is the outgrowth of a desire of the four countries to place wireless on a sound commercial basis. The governments concerned have approved the conference, and it is understood will back the organization which is expected to be formed.

Wireless facilities of the four countries will in effect be pooled, but each will make wireless available for the daily transmission of world news, assuring to news interests the same certainty of delivery as cable companies now are able to give, but at a lowered cost. With an international agreement and the funds to be placed at the disposal of the company, the experts say this can be done. As the United States interest in the meeting is expected to be prominent, it will have the most prominent part in the proposed company.

**FIRST GERMAN LINER
REACHES NEW YORK**

To Receive Official Welcome
This Morning.

The Hamburg-American liner Bayern, the first German passenger carrier to appear in this port since 1914, arrived yesterday and anchored down the bay. She will be welcomed officially by the city this morning, when the tug Corvett will take down to her a committee of citizens, chiefly German Americans, who will accompany her to Hoboken.

The welcome will be headed by Frank Mann, Tennessee House Commissioner, who will represent the State, and will be followed by a dozen cabin and several hundred steerage passengers. The Bayern is the first of three vessels flying the German flag that will be put in the New York-Hamburg service in the next several months. Among her cabin passengers is Max Warnholtz, an old director of the Hamburg-American line.

**MULE 32 DAYS IN WELL
RESCUED A BIT THIN**

Newspaper Advertisement
Leads to His Recovery.

Special Despatch to THE NEW YORK HERALD.
GREENSBORO, N. C., Sept. 30.—Several weeks ago H. Todd Sackett of Beloit placed a mule in pasture in his barn. Four weeks ago the mule disappeared and a search was made, but all in vain. An advertisement was placed in a newspaper and this week the mule was found in an old well in the pasture where he had for four weeks and four days. Block and tackle were brought into play and the mule was raised to the surface, still alive, but thin.

LEFT DETECTIVE SLEEPING.

INDIANAPOLIS, Sept. 30.—Wood Rodgers, 28, said to be wanted in Valdosta, Ga., on a murder charge, escaped here to-day from Detective D. M. Jordan. Jordan said he was asleep when the prisoner got away. They were on the way to Valdosta from Fort Morgan, Col., where he was said to have been arrested.

Continued on Second Page.

**CITY GASOLINE USED
BY POLICE FOR RIDES
IN STOLEN MOTORS**

Meyer Committee Learns of
\$1,708 Gas and Oil Fed
Free to Cars.

SNAP FOR DETECTIVES

Hylan Automobile Promise
Is Disregarded—One for
Him Cost \$4,248.

JOY TRIPS AT WEEK ENDS

Brown Puts Enormous Pier
Protection Cost Up to High
Police Administration.

Automobiles marked "stolen" on the police records were used by detectives and other employees of the Police Department over periods of several months, and during that time were supplied liberally with gasoline and oil from the municipal stations operated by the police for the maintenance of city cars.

Testimony charging that such was the practice was given in detail before the Meyer Committee yesterday in City Hall by Leo J. McDermott, investigator for the committee, based on receipts and other official documents taken from Police Headquarters. From 1915 to 1918 Mr. McDermott, under Mayor Mitchell, was purchasing agent for the Bureau of Repairs and Supplies, a service which enabled him to become thoroughly conversant with the subject.

More than 250 signed slips were presented in evidence stating that gasoline had been issued to cars marked stolen. No explanation was given of how the automobiles happened to be in the possession of the policemen.

Records Indicate Joy Riding.

The gasoline records showed that the "peak of consumption" was on Saturdays and Sundays and holidays, indicating that the operators of the cars labeled "stolen" did most of their riding over the week ends. The amount of gasoline issued by the city without cost to the operator of a car was as high as thirty gallons some Saturdays and Sundays.

Charges that bids on record in the Police Department covering police supplies and printing were "false and fictitious" and in direct violation of the city charter were made by the committee, and much evidence was presented from the records of the police in substantiation of the accusation. Especially bids covering small printing jobs were irregular, it was shown.

Summarizing the strong points in all of the testimony given during the entire week, Elton R. Brown, senior counsel for the committee, stated that it had been established that the exorbitant cost of policing the city's piers held under lease by steamship corporations is in large part due to "higher police administration." This charge of \$41,000,000 a year as against the entire police budget of the city of \$20,000,000 imposes a heavy and unnecessary burden on commerce, he said.

Sudden Rise of Eddie Hughes.

The sudden rise of Edward J. (Eddie) Hughes from moderate means when he retired from the Police Department to affluence in three years; his intimacy with "the head of the Police Department" and his big pier business were covered by Mr. Brown, who said no man can watch the ticker and the criminal at the same time.

The financial operations of high police officials, their plunges in big figures in Wall Street and their big real estate operations; the intertwining of the evidence showing the operations of members of the police reserve force; the evidence of wire tapping all tend to show lax discipline, the breakdown of the police system, Mr. Brown said.

Mr. McDermott was on the witness stand all day. He spent months gathering and analyzing the records obtained from the Police Department in the committee's raids on the offices. After going over scores of records dealing with printing and other contracts for less than \$1,000 the witness took up the automobile cases. Leonard Wallstein, associate counsel to the committee, conducted the examination. He handed a big batch of the automobile papers to the witness and asked:

"Did you find that there were a number of instances in which the receipts stated that the gasoline or oil had been issued to a stolen car?"

"Yes, I found a great number of instances of that kind."

"For example, these receipts would read as follows: 'Fortieth Precinct, receipt No. 75964, date May 3, 1918, ten gallons of gasoline, issued for a Hudson car, No. —, stolen; received by E. Gannon, operator, No. 387, auto squad.' That would be a car reported

Continued on Second Page.

**Horses' Tails Are Not
Progenitors of Eels**

Special Despatch to THE NEW YORK HERALD.
New York, Sept. 30.

WHENCE the eel comes and whether it goes is the text for an erudite piece, of which American Consul Dennis at London claims authority in a cablegram to Secretary Hughes.

Quaint belief that the eels were miraculously born of horse-hairs dropped into ponds from horses' tails is entirely dispelled by Mr. Dennis, who comments upon research work by Dr. Schmidt, Danish scientist.

The eel's life history, an unfathomable mystery twenty years ago, thus for the first time is made a wide open book, and Mr. Dennis warrants these facts:

The eel lives up to eight years in fresh waters. Adult eels, living their life span, go down to tidewater, where they spawn and die. Newly hatched eels live in a cold and gloomy depth of 500 fathoms. They reappear in late winter.

**HOWAT IN PRISON;
MINERS TALK STRIKE**

Kansas Leader and Aid Must
Serve Six Months for Call-
ing Men Out.

REFUSE TO GIVE BONDS

Also Wouldn't Agree Not Fur-
ther to Defy Orders of
Industrial Court.

COLUMBUS, Kan., Sept. 30.—Alexander M. Howat, president of the Kansas Mine Workers Union, and August Dorcy, vice-president, went to the Cherokee county jail to-day to begin serving sentences of six months each for violating the criminal section of the Kansas Industrial Court law by calling a strike.

Announcement was made to-night that the Kansas Mine Workers Union membership would meet Sunday at Franklin to discuss a voluntary strike throughout the field.

Announcement also was made that no strike vote was taken, but that it was expected the meeting Sunday would reflect the views held in the field on Howat's and Dorcy's imprisonment.

The two men went to jail after they had appeared in court and declined to furnish bond of 2,000 each that they would call no more strikes in the Kansas coal fields. The proceedings were witnessed by hundreds of miners from all parts of the district. There was no demonstration, as the two men were taken in custody by Sheriff William Harvey, who took them out by a side entrance to avoid the crowd.

Before going to the courtroom Howat addressed the crowd of miners, denouncing Gov. Henry J. Allen and the Industrial court, and speaking at length in condemnation of John L. Lewis, president of the international union. He charged Lewis and his administration with responsibility for an adverse vote by the international convention at Indianapolis this week in the matter of calling two strikes called by Howat. The mine leader asserted that the international organization constantly had sought to interfere in the affairs of the Kansas district and said emphatically that he never would order the men in the two mines back to work as was directed by the Indianapolis convention.

"I'll suffer expulsion from office and before another I'll order these men back to work except under the old conditions," Howat said. "The international convention should never have bothered with that row. Lewis wanted to humiliate me, so he dragged me into the convention. We are not putting the men back to work."

Miners and operators are awaiting with interest the attitude of the international organization in the event he men on strike are not ordered back to work. In most quarters it was said the international union probably would take charge of the Kansas district. With Howat and Dorcy in jail, Thomas Harvey, secretary-treasurer, is the ranking union official in the State.

Harvey now leading the Indianapolis convention. He is regarded as an opponent of Howat's policies.

**BURGENLAND SEEKS
INDEPENDENT STATUS**

New Government Started in
Interest of Ex-Hungary.

PARIS, Sept. 30.—West Hungary (Burgenland) yesterday declared itself an independent State, according to Vienna and Budapest despatches published this evening by the Temps with reservations.

Former Premier Friedrich is said to have assumed power at the head of a council of defence which proclaimed the independence of the "State of Occidental Hungary" and appealed to officials to remain at their posts and for the population to support the new Government "for God, for king and for country."

Despatches from Vienna have reported that Hungarian volunteers enlisted in the cause of the restoration of Emperor Charles have been mobilizing on the frontiers of West Hungary, which by treaty now belongs to Austria.

KILLED BY OWN PISTOL.

Kansas Colonel Falls Over Rug in
Burglar Hunt.

MCPHERSON, Kan., Sept. 30.—Fred E. Ellis, colonel of the Fourth Kansas Infantry, and a major during the war, died to-day when he fell over a rug in his home while hunting for a burglar, and his own pistol was discharged, the bullet penetrating his heart.

Colonel Ellis had been in the National Guard since 1898.

Continued on Second Page.

**TRANSIT COMMISSION
SEES REHABILITATION
WITHIN SIX MONTHS**

Period for Reorganization
Depends on Negotiations
With City and Compo-
nent Companies.

BAR AGAINST POLITICS

Title May Be Vested in Hold-
ing Company 90 Days
After Submission of
Plan to City.

NEW STOCK PERPLEXING

Regulatory Powers Preclude
Delays—Formal Proposals
Await Completion of
Valuation.

The reorganization of New York's transit facilities will be in effect within six months.

That is the hope of the Transit Commission, it was learned yesterday, unless some unexpected contingency arises. The distance of the date when the reorganization will become operative, it was conceded, depends in large degree upon the ease or difficulty of the negotiations with the city and the transit companies for agreement to the commission's proposal.

In any event, it was understood, the commission feels thoroughly confident of its ability to put its plans into operation, and that before the term of the present State administration, which created the commission, expires. By that time, it was expected, the proposals of the Transit Commission will have been crystallized into contracts or agreements which would be binding and could not be upset by a change of the political complexion of the State government.

In that connection it was learned that the commission regards its scheme almost as nearly politics proof as it thinks it to be speculation proof. It was admitted, however, that while the present commission probably would be able to complete its work in such fashion that it cannot be wrecked by a change in State administration, there is no safeguard against a change in the city's representation on the proposed Board of Control, three of whose members would be appointed by the Mayor.

Check on City Delays.

Thus it is likely that the three city members of that board would change with each administration. Political activity within the board, however, would be checked through the probable permanency of tenure of the three representatives of its proposed new transit companies, it was stated.

Statements from members of the Hylan administration already indicate the determination of the present city administration to fight the transit plan, in any event. But it was pointed out that, under the law, the city would be unable to delay the commission's plans for more than ninety days after the commission formally submitted its plans to the city. At the expiration of that period, if the city and the commission cannot agree, the commission is authorized to vest title of the acquired transit properties in the proposed consolidated company, until such time as the formal municipalization of the ownership of the properties can be achieved.

I was conceded that the matter of reaching an agreement with the transit companies, whereby their present securities are to be replaced by new paper representing the commission's idea of a fair valuation of the properties, present a more complex problem. The commission refused to state yesterday what powers it might use, if necessary, to compel agreement to its plan, but none of the commission's members appeared at all worried about that feature.

There was a disposition in some quarters to believe that the holders of many of the present transit securities would be very glad of an opportunity to find a way out of their predicament via the Transit Commission's suggestion. On the other hand, it was admitted that the holder of other securities might not be so pleased at the prospect of a change. Among that class were mentioned the stockholders of the Manhattan elevated lines and the Third Avenue Railway Company, both of which are regarded as solvent and paying concerns.

Lower Valuation Considered.

In connection with the Manhattan elevated situation it was pointed out that while the present owners are guaranteed a 7 per cent. return by the Interborough's lease it is possible that condition could not last more